



House of Representatives

General Assembly

File No. 646

January Session, 2003

Substitute House Bill No. 5663

House of Representatives, May 6, 2003

The Committee on Finance, Revenue and Bonding reported through REP. STILLMAN of the 38th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING ELIGIBILITY FOR BENEFITS TO VETERANS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 27-103 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (a) As used in the general statutes, except chapter 504, and except as
5 otherwise provided: (1) "Armed forces" means the United States Army,
6 Navy, Marine Corps, Coast Guard and Air Force; (2) "veteran" means
7 any person honorably discharged from, or released under honorable
8 conditions from active service in, the armed forces; (3) "service in time
9 of war" means service of ninety or more days except, if the war,
10 campaign or other operation lasted less than ninety days, "service in
11 time of war" means service for the entire duration of the war,
12 campaign or other operation, unless separated from service earlier
13 because of a service-connected disability rated by the Veterans'

14 Administration, during [the Spanish-American War, April 21, 1898, to
15 August 13, 1898; the Philippine insurrection, August 13, 1898, to July 4,
16 1902, but as to engagements in the Moro Province, to July 15, 1903; the
17 Boxer Rebellion, June 20, 1900, to May 12, 1901; the Cuban pacification,
18 September 12, 1906, to April 1, 1909; the Nicaraguan campaign, August
19 28, 1912, to November 2, 1913; the Haitian campaign, July 9, 1915, to
20 December 6, 1915; the punitive expedition into Mexico, March 10, 1916,
21 to April 6, 1917; World War I, April 6, 1917, to November 11, 1918, but
22 as to service in Russia, to April 1, 1920; World War II, December 7,
23 1941, to December 31, 1946; and the Korean hostilities, June 27, 1950, to
24 January 31, 1955; and shall include service during the Lebanon conflict,
25 July 1, 1958, to November 1, 1958; the Berlin Airlift, August 14, 1961, to
26 June 1, 1962; and the Vietnam era, February 28, 1961, to July 1, 1975;
27 and shall include service while engaged in combat or a combat support
28 role during the peace-keeping mission in Lebanon, September 29, 1982,
29 to March 30, 1984; the invasion of Grenada, October 25, 1983, to
30 December 15, 1983; Operation Earnest Will, involving the escort of
31 Kuwaiti oil tankers flying the United States flag in the Persian Gulf,
32 February 1, 1987, to July 23, 1987; and the invasion of Panama,
33 December 20, 1989, to January 31, 1990; and shall include service
34 during Operation Desert Shield and Operation Desert Storm, August 2,
35 1990, to June 30, 1994; and shall include active duty for service in the
36 demilitarized zone in South Korea after February 1, 1955, in Somalia
37 after December 2, 1992, and in Bosnia after December 20, 1995] a
38 "period of war", as defined in 38 USC 101, as amended, except that the
39 "Vietnam Era" means the period beginning on February 28, 1961, and
40 ending on July 1, 1975, in all cases; and "period of war" shall include
41 service while engaged in combat or a combat support role in Lebanon,
42 July 1, 1958, to November 1, 1958, or September 29, 1982, to March 30,
43 1984; Grenada, October 25, 1983, to December 15, 1983; Operation
44 Earnest Will, involving the escort of Kuwaiti oil tankers flying the
45 United States flag in the Persian Gulf, February 1, 1987, to July 23,
46 1987; and Panama, December 20, 1989, to January 31, 1990, and shall
47 include service during such periods with the armed forces of any
48 government associated with the United States.

This act shall take effect as follows:
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Section 1	<i>from passage</i>
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PS *Joint Favorable Subst. C/R*

FIN

FIN *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: See Below

Municipal Impact: See Below

Explanation

The bill changes the statutory definition of “service in time of war”. The number of veterans that the bill would impact for eligibility status for state/municipal benefits is unknown. The following information is provided to reflect the more recent potential eligible veteran population:

- There have been 2,000 Connecticut reservists activated since 9/11/01.
- Presently there are 5,000 National Guard members.
- As of the 2000 Census there were 8,200 CT residents employed in the Armed Services.

The following programs are available to wartime veterans: 1) state subsidized local property tax exemptions; 2) credited service in state-sponsored pension systems; 3) educational tuition waivers; 4) award payments to veterans from the Soldiers’ Sailors and Marines Fund; 5) Veterans’ Home and Hospital services; and 6) motor vehicle exemptions.

Property Tax Exemption

The bill would result in an increased number of veterans eligible for a minimum property tax exemption of \$1,500. The state reimburses municipalities for the tax loss associated with the additional exemption

(\$500 of the \$1,500). This grant program administered by the Office of Policy and Management (OPM) has an FY 03 budget of \$8.9 million. The average benefit resulting from additional exemptions is approximately \$35 per veteran. The number of veterans impacted by the bill is unknown and therefore any increased costs to the Property Tax Relief for Veterans account within OPM is unknown. These exemptions result in a minimal grand list reduction to municipalities.

Credited Service in State-Sponsored Pension System

Individuals covered under the bill who are also members of state-sponsored retirement systems (State Employees Retirement System – SERS and Teachers’ Retirement System) are eligible to purchase credited service within those systems. The payments required do not cover the actuarial value of the increase in benefits. The increase in the unfunded liability of any of the state-sponsored systems from a purchase is a function of the member’s age, service, and final average salary. While the fiscal impact cannot be determined until the time of purchase, it is not expected to be significant. It should be noted that the bill does not provide a window for purchase for Tier I members of SERS.

The bill also makes more people eligible for credited service in the Municipal Employees Retirement Fund (MERF) but does not provide a window for this purchase. Funding for MERF comes from participating municipalities and their employees.

Higher Education Tuition Waiver

The bill, which would result in a revenue loss to the state’s public colleges and universities, extends tuition waiver rights. State statutes currently provide tuition benefits to certain veterans, national guardsmen and senior citizens at the state’s constituent units of public higher education. In FY 2003, approximately 6,600 individuals will receive tuition waivers. The dollar value of these waivers is \$4.8 million. In addition, the statutes provide for reimbursement of the cost of waivers that exceed tuition revenue - 2.5% for UCONN and CSU

and 5% for the community colleges. Funds have never been appropriated for this purpose and as such the constituent units absorb these costs within their respective budgets.

	UConn	CSU	CTC	Total
Est. Tuition Revenue	\$100,660,696	\$ 51,311,482	\$ 41,714,820	\$193,686,998
Threshold %	2.5%	2.5%	5.0%	-
Waiver Threshold	\$2,516,517	\$1,282,787	\$2,085,741	\$5,885,045
Est. Statutory Waivers Value	\$2,277,935	\$1,242,850	\$2,027,088	\$5,547,873
Amount in Excess of Threshold	0	0	0	0

Since the number of individuals who may take advantage of these waivers is unknown, the additional amount that the units would have to absorb is indeterminate.

Soldiers Sailors and Marines' Fund

The Soldiers Sailors and Marines Fund (SSMF), through interest earned on the trust fund, provides award payments to eligible veterans for emergency needs such as clothing, food medical and surgical aid, and general care and relief. The value of the SSMF as of June 30, 2002 was \$56.4 million (the interest earned by the fund for the same fiscal year was \$3.2 million). It should be noted that the interest earned for FY 03 is anticipated to be \$336,000 less than FY 02. In FY 02 there were 2,684 applications received for request for aid (4% of which represent Persian Gulf veterans). The needs of the current population of eligible veterans continue to change and duration of support provided can vary depending on available funding.

Veterans' Home and Hospital

This bill expands the number of veterans that would be eligible for admission to the Veterans Home and Hospital (a chronic disease hospital). As of January 2003 funding was available for 175 beds and 161 were occupied (cost per patient of \$501/day). The department also

supports residential and rehabilitative services (domicile) on campus for eligible veterans. As of January 2003 there were 289 veterans' residing at the domicile (a cost of \$88/day). The Federal Department of Veterans Affairs partially reimburses the state on a per diem basis for the care of eligible veterans at the Veterans Home & Hospital. This per diem is deposited into the General Fund (\$53.17 a day per veteran at the hospital and \$24.40 a day per veteran at the domicile). Increasing the number of eligible veterans may create a waiting list if the funding level was not increased. Although any short-term impact is anticipated to be minimal, the long-term impact is uncertain.

The Department of Veterans Affairs receives funding from the Soldiers Sailors and Marines Fund for headstone and burial costs of eligible veterans (FY 03 level of \$4,500 for burial expenses and \$243,000 for the installation of headstones). Also impacted would be the number of veterans eligible for burial in the State Veterans' Cemetery. Currently, the Middletown Veterans' Cemetery has over 12,900 gravesites available. The department may incur administrative costs as the number of eligible veterans increases, however any impact over the next few fiscal years is anticipated to be minimal.

Motor Vehicle Exemptions

Currently, disabled wartime veterans with certain service-connected disabilities, former prisoners of war, and recipients of the Congressional Medal of Honor are exempt from the \$70 motor vehicle registration fee. In FY 02, 326 customers qualified for this exemption for a revenue loss to the Transportation Fund of \$24,695. Moreover, the Department of Motor Vehicles also collects an additional \$4.25, which is deposited in the Clean Air Fund. As a result, the revenue loss to this fund in FY 02 totaled \$1,386. Therefore, passage of this bill would have an indeterminate revenue loss to the Transportation Fund but is expected to be minimal.

Under current law, disabled wartime veterans with certain VA-rated disabilities qualify for special veteran's license plates. The plate exempts the veteran from overtime parking fines. Thus, passage of the

bill would have a revenue loss to municipalities. However, the extent of such revenue loss is at present indeterminate but is expected to be minimal.

OLR Bill Analysis*sHB 5663***AN ACT CONCERNING ELIGIBILITY FOR BENEFITS TO VETERANS****SUMMARY:**

This bill makes all veterans who have 90 days of active duty service since August 2, 1990 eligible for several property tax, education, and other benefits. Under current law, only such veterans who served during (and in some cases, in) specific conflicts or operations are eligible for these benefits. It also extends benefits to all veterans who served during the conflicts in Somalia after December 2, 1992 and Bosnia after December 20, 1995. Under current law, the veteran had to have served in those countries to qualify.

On the other hand, it eliminates benefits for veterans with active duty service in the demilitarized zone in South Korea after February 1, 1955 and veterans of the Berlin airlift, August 14, 1961 to June 1, 1962; Cuban pacification, September 12, 1906 to April 1, 1909; Nicaraguan campaign, August 28, 1912 to November 2, 1913; and Haitian campaign, July 9, 1915 to December 6, 1915. It also eliminates benefits for veterans who did not serve in a combat or combat-support role in the Lebanon conflict, July 1, 1958 to November 1, 1958.

EFFECTIVE DATE: Upon passage

ELIGIBILITY FOR BENEFITS

By law, veterans who serve in time of war, and, in some cases, their spouses and children, are eligible for (and in some cases entitled to) a range of benefits unavailable to other veterans. Time of war includes World Wars I and II, the Korean War, the Vietnam War, and Operation Desert Shield and Desert Storm. To qualify for the benefits, the veteran must have at least 90 days active-duty service, unless he was separated from service earlier because of a service-connected disability or the military operation lasted less than 90 days and he served for the duration.

Under current law, eligibility is based on service in or during specified wars, conflicts, or operations, and in some cases, the veteran must have served in a combat or in combat-support role. The bill adopts, by reference, the federal definition of “period of war,” which means the:

1. Spanish-American War,
2. Mexican border period,
3. World Wars I and II,
4. Korean conflict,
5. Vietnam era,
6. Persian Gulf War (August 2, 1990 until a date prescribed by the President or law), and
7. a period beginning on the date of any future congressional declaration of war and ending on the date prescribed by the presidential proclamation or concurrent resolution of Congress.

Because the Persian Gulf War, which began on August 2, 1990 is still in progress (in the absence of a presidential proclamation or federal law), veterans currently serving or who served at any time between August 2, 1990 and the date the Persian Gulf War ends, are eligible for war service benefits under the bill, provided they meet the law’s minimum 90-day service requirement. This includes veterans of Enduring Freedom, Noble Eagle, and Iraqi Freedom.

By adopting the federal definition, the bill, for purposes of the Persian Gulf War and any future conflicts, gives wartime benefits to all active-duty veterans with 90-days service, without requiring that the veteran serve in the war or have combat service. Under current law, veterans who have 90 days active duty service after August 2, 1990 are eligible for benefits if they served (1) during Operation Desert Shield or Operation Desert Storm, (2) in Somalia after December 2, 1992, or (3) in Bosnia after December 20, 1995.

BACKGROUND

Wartime Service Benefits

Some of the major wartime benefits are listed below.

Property Tax Exemption. Wartime veterans who are state residents are eligible for a minimum \$ 1,500 local property tax exemption. There are increased exemptions for veterans with Veterans Administration VA-rated disabilities. An exemption represents a reduction of the property's assessed value for tax purposes.

Education Benefits. The law waives tuition at the state's public colleges and universities for wartime veterans. The waiver applies to the regional community colleges, state technical colleges, Connecticut State University, and the University of Connecticut.

The law also provides state education aid to children between ages 16 and 23 of veterans killed in action, who die in accidents or from illness while on active duty, or who are totally and permanently disabled. The child must attend an approved school. The amount of aid any child receives is based on need, up to \$400 per year.

Medical Treatment. Wartime veterans are eligible for admission to the Veterans' Home and Hospital. And wartime veterans with no adequate means of support are also eligible for admission to other hospitals at the state's expense.

Civil Service Examination Preferences. The law gives wartime veterans bonus points on initial state civil service examinations. Wartime veterans receive five bonus points and disabled veterans get 10 bonus points as long as they meet the minimum competency scores. The same bonus awards apply to initial municipal civil service examinations.

Fee Exemptions. Wartime veterans are eligible for an exemption from any local itinerant vendor's license fee.

Firing Squads. Wartime veterans are entitled to funeral firing squads. If requested, the adjutant general must order a uniformed firing squad from the National Guard, the Naval Militia, the State Guard, or the organized state militia to attend a qualified veteran's funeral.

Soldiers, Sailors and Marines Fund. This fund provides benefits such as food, clothing, and medical assistance to needy, eligible wartime veterans.

Temporary Financial Assistance. Wartime veterans who need help because of disability or other service-related cause are eligible for temporary financial assistance from the veterans' affairs commissioner in an amount and for a time he decides.

Retirement. Members of the Municipal Employees' Retirement System who leave municipal employment to enter the armed forces while the U. S. is at war, engaged in hostilities, or during national emergencies and are reemployed by the municipality within six months of discharge, are credited with the period of service as though they had been continuously employed. This six-month limitation may be extended due to service-related disability.

Wartime veterans who become members of the State Employees' Retirement System or Teachers' Retirement System may purchase retirement credit for their entire time of service. The system allows credit for up to 30 months for nonwartime military service. Veterans purchasing teachers' retirement credit may not be receiving or eligible to receive retirement credit for service from any other government source.

State police officers and correction officers and instructors who were granted military leave and returned to work within 90 days after discharge receive retirement credit for any period of wartime service. The law also provides retirement credit for wartime service prior to such employment, if the veteran pays the appropriate contributions to the retirement fund.

Motor Vehicle Registration Fee Exemptions. Disabled wartime veterans qualify for registration fee exemptions for up to three vehicles they own or lease in the passenger, camper, or combination passenger and commercial registration categories. Former prisoners of war and Congressional Medal of Honor recipients qualify for two such registrations, which their spouses may retain until death or remarriage.

Disabled wartime veterans with certain VA-rated disabilities also qualify for free special license plates and an identification card. The plates allow the veteran to park overtime without penalty as long as he or someone operating the vehicle while accompanying him does not leave it at any one location for more than 24 hours. Surviving spouses

may keep the license plates and identification cards until death or remarriage.

For purposes of motor vehicle registration fee exemptions and special parking privileges, a disabled veteran is a wartime veteran with any of the following VA-certified service-connected disabilities: blindness, traumatic brain injury, paraplegia, hemiplegia, or loss of the use of one or both arms or legs or loss of these body parts through amputation.

Veterans' Cemetery

Wartime veterans are eligible for burial in the state veterans' cemetery. But the eligibility is based on CGS § 27-122b, rather than the section amended by the bill. Based on this statute, veterans of any war fought after the Lebanon peace-keeping mission (1982-1984) are not eligible for burial in the cemetery. In practice, however, it appears that the Veterans' Department uses CGS § 27-103 (which this bill amends) when determining a veteran's eligibility for burial in the cemetery.

Related Bills

SB 48, which was favorably reported by the Appropriations Committee on May 1, gives war service benefits to veterans of Operation Enduring Freedom.

sSB 1157 (File 452) allows nonresident, active, full-time members of the armed services to purchase firearm permits to hunt deer and bow-and-arrow permits to hunt deer and small game for the same fee as state residents.

HB 5264 (File 299) expands the number of veterans and their surviving spouses eligible for an optional property tax exemption. Specifically, it increases the maximum income a person can have and be eligible for the program by \$25,000, to \$41,200 for a single veteran or a survivor of a veteran and \$45,000 for a married veteran and increases the maximum amount of the exemption.

HB 6199 (File 424) requires the state's community-technical colleges, Connecticut State University System, and University of Connecticut to allow students called to active duty in the armed forces during any semester to reenroll in any course for which they paid tuition but did not complete because of their active duty status. The schools may not

impose any additional tuition, student fee, or related charge on the affected students for the courses, unless they had fully reimbursed the students for courses not completed.

sHB 6404, reported favorably by the Transportation and Finance, Revenue and Bonding committees, renames the following: Route 15 through Derby, Ansonia, and Seymour as the "Veterans' Memorial Highway;" Route 173 in West Hartford from the Newington-West Hartford town line to the junction of State Road 529 as the "Roger Fissette Hannon-Hatch VFW Post 9929 Memorial Highway;" and Bridge No 1751 over Quaker Lane and Trout Brook on I-84 in West Hartford as "The 76th Division Memorial Bridge."

Related Act

PA 03-24 requires financial institutions and federal banks to maintain on file for 26 months the mortgage application of a member of the U.S. armed forces reserves or National Guard called into active duty before a financial institution or federal bank makes a determination on it. If the applicant returns from active duty within two years after submitting his mortgage application and, within 60 days after discharge from active duty, submits a written statement that there has been no material change in his income, assets, debts, or employment, the bill requires the financial institution or federal bank to finish processing his loan application in accordance with the same terms and conditions made available to the applicant at the time of his initial application.

COMMITTEE ACTION

Public Safety Committee

Joint Favorable Substitute Change of Reference

Yea 22 Nay 0

Finance Committee

Joint Favorable Report

Yea 42 Nay 0